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FM SECSTATE WASHDC
TO AMEMBASSY VIENTIANE 4548

C O N F I D E N T I A L STATE 077666

SIPDIS

E.O. 12958: DECL: 07/24/2034
TAGS: [PINR](#) [ECON](#) [EFIN](#) [EINV](#) [PREL](#) [LA](#)
SUBJECT: (U) LAOS: RESPONSE TO GLOBAL FINANCIAL CRISIS
(C-AL9-01470)

REF: A. VIENTIANE 000306
[1](#)B. VIENTIANE 000264

Classified By: MICHAEL P. OWENS, ACTING DIR, INR/OPS. REASON: 1.4(C).

[1](#)1. (C) WASHINGTON ANALYSTS ARE KEENLY INTERESTED IN ASSESSING LAOS'S VULNERABILITY TO FOREIGN ECONOMIES AND THE LIKELIHOOD THAT VIENTIANE IS ACTIVELY MANAGING ITS EXPOSURE TO CHINA, THAILAND, AND VIETNAM. ECONOMIC REPORTING ON LAOS'S BUDGET DIFFICULTIES AND GROWTH PROSPECTS PROVIDED US WITH A USEFUL WINDOW TO EXAMINE ITS FOREIGN RELATIONS THROUGH ITS ECONOMIC POLICIES. WE UNDERSTAND THE DIFFICULTY IN ADDRESSING MANY OF THESE ISSUES GIVEN THE LACK OF TRANSPARENCY IN LAOS AND APPRECIATE ANY DETAILS POST CAN OFFER, TIME AND RESOURCES PERMITTING, AND IN THE COURSE OF NORMAL DUTIES.

[1](#)A. (U) HOW IS LAOS BALANCING ITS EXPOSURE TO OTHER NATIONAL ECONOMIES?

[1](#)B. (U) HOW ARE CHINA, THAILAND, AND VIETNAM PERCEIVED WITHIN THE GOVERNMENT AND PARTY, PARTICULARLY THE MFA, MILITARY, AND POLITBURO, AND HOW DO THESE GROUPS INFLUENCE FOREIGN ECONOMIC POLICY?

[1](#)C. (U) WHAT FORMAL AND INFORMAL FOREIGN AID, DEVELOPMENT ASSISTANCE, AND INVESTMENT ARE PERCEIVED AS MOST USEFUL FOR LAOS'S ECONOMIC DEVELOPMENT?

[1](#)D. (U) WHAT IS THE EFFECT AND OUTLOOK WITHIN THE GOVERNMENT OF RECENT HIGH-PROFILE INVESTMENT DECISIONS, SUCH AS THE SALE OF SEPON COPPER-GOLD MINE TO MINMETALS?

[1](#)2. (U) PLEASE CITE C-AL9-01470 IN THE SUBJECT LINE OF REPORTING IN RESPONSE TO THE ABOVE QUESTIONS.
CLINTON